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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 17 September 1965

INTELLIGENCE MEMORANDUM

The India-Pakistan Situation (Report #47 - As of 11:00 A.M. EDT)

- l. There is no new information of significance on the progress of the Indo-Pakistan fighting. The positions of the combatants in the Sialkot and Lahore sectors appears essentially unchanged over the past several days.
- 2. Indian Foreign Minister Singh has called in Ambassador Bowles to express his "grave concern" at yesterday's Chinese note. He also expressed hope that the US representative at the UN Security Council would comment on the Chinese ultimatum and warn China to "whatever extent" the US felt feasible. The Foreign Minister said that his government planned to reply to the Chinese note in low key, denying that military structures such as referred to by Peking have been built on the Sino-Indian border, suggesting the Chinese would be privileged to blow them up if they can find them and adding that a third nation would be welcome as an observer if the Chinese agree. Singh expressed little hope, however, that anything the Indians did would have any effect on future Chinese actions.
- 3. Prime Minister Shastri spoke to the lower house of Parliament today concerning the Chinese threat. Although Shastri declared that Chinese military strength would not deter India from defending its territorial integrity, he also stated that "in order not to give the Chinese an excuse for an attack on India, we have no objection to such a joint investigation of our defense installations in Sikkim as proposed by China." Shastri also said that, after careful investigation, the Indian Government was satisfied that Indian personnel and aircraft had not violated the international boundary as charged by China. The Prime Minister added that he hoped China would not take advantage of the present situation and attack India, but that if attacked India would "fight for our freedom with grim determination."

State Department review(s) completed.

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- 4. President Ayub's reply to Secretary General U Thant's cease-fire appeal, made public today in Rawalpindi, reiterated Pakistan's position that a cease-fire is possible only if the terms include machinery and procedures that would lead to a "final determination of the Kashmir dispute." Of possible significance, however, the reply to Thant did not specifically mention a plebiscite—heretofore one of the major Pakistani demands concerning settlement of the Kashmir problem.
- 5. The Iranian Government apparently is proceeding with plans for a "peace mission" by Prime Minister Hoveyda. The Shah has approved the mission and Hoveyda is now awaiting a response from Washington, London and Moscow—the three capitals he proposes to visit.